

Message Text

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ACTION EUR-08

INFO OCT-01 SS-14 ISO-00 NEA-07 TRSE-00 FRB-01 XMB-01
EB-03 NSC-05 NSCE-00 INR-05 CIAE-00 SP-02 OMB-01
L-01 IGA-01 /050 W
-----081022Z 078841 /15

R 071159Z MAY 77
FM AMEMBASSY MADRID
TO SECSTATE WASHDC 167
INFO AMEMBASSY BONN
AMCONSUL DUSSELDORF
AMEMBASSY JIDDA
USMISSION OECD PARIS

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LIMDIS

FOR STATE, TREASURY, FRB AND EXIM

E.O. 11652: N/A
TAGS: EFIN, SP
SUBJECT: SEVERAL LOANS FOR THE SPANISH

REF: MADRID 3429 (NOTAL)

1. IN SPITE OF THE NOW FAILED 300 MILLION DOLLAR LOAN
EFFORT BY MANUFACTURER'S TRUST (MHT) (SEE MADRID 3429),
MODERATE SPANISH BORROWING POWER IS BEING DEMONSTRATED
IN FOREIGN MONEY MARKETS. THE NEWEST LOAN AGREEMENTS,
HOWEVER, EMPHASIZE NEW SOURCES - GERMAN AND SAUDI ARABIAN -
RATHER THAN INCREASED ACTIVITY BY THE MAJOR U.S. BANKS.

2. ON MAY 6 A 500 MILLION D-MARK LOAN TO THE KINGDOM
OF SPAIN WAS SIGNED BY A CONSORTIUM OF GERMAN SAVINGS
BANKS (8 YEARS AT UNKNOWN, FIXTE INTEREST), A 100
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MILLION DOLLAR CONSORTIUM LOAN TO THE STATE RAILWAY
RENFE WAS REPORTEDLY OVERSUBSCRIBED AND IS BEING IN-
CREASED TO 130 MILLION DOLLARS (7 YEARS, 1 3/8 OVER
LIBOR FOR THE FIRST FIVE YEARS AND THEN 1 1/2 OVER LIBOR).
THE RENFE LOAN, LIKE THE D-MARK ONE, IS LED BY WEST-
DEUTSCHE LANDESBANK GIROZENTRALE. SAUDI ARABIA HAS NOW
LOANED 150 MILLION DOLLARS TO THE GOS, ALTHOUGH SINCE

THE TERMS ARE BEING HELD CONFIDENTIAL WE PRESUME THIS IS SHORT TERM DEPOSIT MONEY. MHT AND FOURTEEN OTHER BANKS SHARED EQUALLY IN A 65 MILLION DOLLAR SYNDICATED CON-SORTIUM LOAN TO THE INI STATE HOLDING COMPANY THAT WAS SIGNED MAY 5 (5 YEARS AT 1 1/2 PERCENT OVER LIBOR). A NUMBER OF SMALLER LOANS HAVE ALSO RECENTLY BEEN FINALIZED.

3. UNTIL THE LAST TWO WEEKS THE LARGEST FOREIGN LOAN TO A SPANISH ENTITY THIS YEAR HAD BEEN 60 MILLION DOLLARS. SOME U.S. BANKS HERE WERE SURPRISED BY THE LARGE GERMAN LOANS, AND PARTICULARLY THAT THEY PRECEDED THE COMING ELECTIONS. STABLER

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Message Attributes

Automatic Decaptioning: Z
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BANK LOANS, RAILROADS
Control Number: n/a
Copy: SINGLE
Sent Date: 07-May-1977 12:00:00 am
Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MADRID03543
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From: MADRID
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770582/aaaacszt.tel
Line Count: 75
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
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Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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SAS ID: 2608774
Secure: OPEN
Status: NATIVE
Subject: SEVERAL LOANS FOR THE SPANISH
TAGS: EFIN, SP, GE, US
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